Part 1 General

Section 03 Applicability

A. Principles

Purpose. This Grants Policy Directive (GPD) outlines responsibilities of HHS and the Operating Divisions (OPDIVs) in implementing the GPD system. It also specifies review and approval requirements for policies and procedures which implement or supplement issuances by the Office of Grants Management (OGM), Office of Grants and Acquisition Management and includes a list of key references that apply to HHS grants administration.

Scope. This GPD applies to all OPDIVs with authority to award grants and/or cooperative agreements, regardless of whether the awards are mandatory or discretionary. Subsequent GPD sections will indicate whether and how each applies to mandatory grants. Section 5 of the GPDs is reserved for policies that apply to mandatory grants only.
Policy. It is HHS policy that, to the extent possible, (1) HHS staff operate under current and complete policies and procedures, and (2) grantees are subject to common requirements and are provided consistent interpretation of policies and procedures.

Policy Implementation and Approval Requirements
OGM is responsible for the development, issuance and maintenance of Department-wide policies governing the award and administration of grants. These policies are issued in the form of GPDs (see GPD 1.01), for HHS staff, and regulations and other policy issuances for both HHS and recipient staff. In this role, OGM is responsible for reviewing any OPDIV- originated regulation, policy or procedure that is intended to implement or supplement those issuances, whether or not the OPDIV proposes to deviate from HHS GPD or regulatory coverage. The OGM review requirements under each of these issuance systems are discussed in the following paragraphs.

GPD Implementation.
GPDs are effective immediately upon issuance. Therefore, OPDIVs must have a system in place for providing the GPDs to their staff following issuance by OGM. GPDs are posted on GrantsNet (http://www.hhs.gov/grantsnet) concurrent with hard-copy distribution.
Internal Implementation

Each OPDIV is required to use a Grants Administration Manual (GAM) to provide, for its staff, internal implementing procedures for the policies contained in GPDs. A GAM may also include internal policies (and implementing procedures) for OPDIV-specific subjects and/or areas not covered in the GPDs issued by OGM.

OPDIVs may fulfill the requirement by:
Issuing their own OPDIV GAM as approved by OGM, or
Using the generic GAM issued and maintained by OGM. 1
Sub-OPDIV-level implementations, if any, may be reviewed and approved by the OPDIV grants policy office if the proposed issuance(s) is consistent with the OGM-approved OPDIV implementation. Any OPDIV or sub-OPDIV implementation of the generic GAM is subject to OGM review and approval.

External Implementation.
GPD transmittal memoranda will highlight applicability to grantees/recipients, if any, and will specify the action(s) to be taken by HHS staff, including the need for, and timing of, inclusion of a new or revised requirement in the terms and conditions of award. If an OPDIV proposes an alternate implementation, OGM review and approval is required.

In the memorandum forwarding a GPD implementation to OGM for review and approval, OPDIVs must indicate any anticipated direct impact on grantees beyond that specified by OGM in the GPD transmittal memorandum.
Implementation of HHS Grants Administration Regulations and Other HHS Regulations.

Although the Department's grants administration regulations are comprehensive, there may be instances when implementation or supplementation of those regulations is necessary.

Circumstances under which implementation or supplementation is appropriate or required include:
Implementation of an option reserved to the OPDIV/awarding office in 45 CFR Part 74 or 92, whether on an individual award or a class(es) of awards;
The need for more explicit guidance where audits or other monitoring reveals compliance problems or lack of understanding of a policy area(s).

Implementation or supplementation of the Departmental regulations cited in subparagraph D.1. below is considered an "external" implementation and requires OGM approval (other than implementation of an option reserved to an OPDIV/awarding office in Part 74 or 92). This review and approval may be accomplished as part of the formal HHS regulation clearance process.

(The generic GAM is currently under development and will be completed in stages consistent with the issuance and reissuance of GPDs)

Deviations from HHS Requirements

For purposes of this GPD, a deviation is any departure from an existing policy requirement in the GPDs or grant regulations. Deviations with respect to requirements incorporated by reference in Part 74 or 92; e.g., the cost principles, are also subject to the approval requirements provided in this GPD.

An "individual" (single-case) deviation request is a deviation being sought for one grant only that arises on a case-by-case basis. Individual deviations, including any mandated by Federal statute, must be appropriately implemented by the OPDIV head or by officials designated in the OPDIV's formal deviation procedures.

A "class" deviation request involves more than one grant for which the same type of deviation action is being requested. Class deviations mandated by Federal statute must be appropriately implemented by the OPDIV head or by officials designated in the OPDIV's formal deviation procedures. Class deviations not mandated by Federal statute must be approved by OGM or by higher authority and implemented by the appropriate officials designated in the OPDIV's formal deviation procedures.

OPDIVs are responsible for establishing a process to review, document and evaluate deviation requests, whether for individual or class deviations. A copy of all deviations should be maintained in the official grant file as well as in a central "deviations" file.

Documents Used in HHS Grants Administration

Listed below are key Departmentwide and Governmentwide documents used in the administration of HHS grants and cooperative agreements. HHS staff are responsible for ensuring that the correct version of a regulation is cited or applied in any documents or correspondence.

Regulations.

37 CFR Part 401, Rights to Inventions Made by Non-Profit Organizations and Small Business Firms under Government Grants, Contracts Cooperative Agreements

45 CFR
Part 16, Procedures of the Departmental Grant Appeals Board
Part 74, Uniform Administrative Requirements for Awards and Subawards to Institutions of Higher Education, Hospitals, Other Non-Profit Organizations, and Commercial Organizations; and Certain Grants and Agreements with States, Local Governments and Indian Tribal Governments

Part 76, Government-wide Debarment and Suspension (Nonprocurement) and Governmentwide Requirements for Drug-Free Workplace (Grants)

Part 92, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments

Part 93, New Restrictions on Lobbying

Part 95, General Administration- Grant Programs (Public Assistance and Medical Assistance)

Part 96, Block Grants

Part 100, Intergovernmental Review of Department of Heath and Human Services Programs and Activities

OMB Circulars
A-21, Cost Principles for Educational Institutions

A-50, Audit Followup

A-87, Cost Principles for State, Local and Indian Tribal Governments

A-89, Catalog of Federal Domestic Assistance

A-102, Grants and Cooperative Agreements with State and Local Governments

A-110, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations

A-122, Cost Principles for Non-Profit Organizations

A-133, Audits of States, Local Governments, and Non-Profit Organizations